GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1222
ANSWERED ON:01.08.2005
HIGHER STEEL PRICE IN JHARKHAND AND BIHAR
Dubey Shri Chandra Shekhar

Will the Minister of STEEL be pleased to state:

(a) the reasons for prices of steel produced in Bokaro Steel Plant ruling high in the States of Jharkhand and Bihar in comparison to other States?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)Prices in different markets in the country are determined by the free interplay of market forces. Steel Authority of India Limited (SAIL) follows a well established system of destination pricing wherein the prices of various steel products in individual markets conform to the prevailing market prices in these markets. The prices of these products for a consumer at a given place are determined after adjusting the freight element through a system of rebates/discounts which match the freight component. In this process, it is possible that the same grades of steel are more expensive in markets close to the production facilities.